

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4976-14  
Bill No.: Truly Agreed to and Finally Passed SS for SCS for HCS for HB 2058  
Subject: Liens, Motor Vehicles, Business and Commerce  
Type: Original  
Date: June 2, 2010

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Bill Summary: Would modify certain provisions relating to mechanic's liens against residential real property.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of the Attorney General** assume that any additional costs arising from this proposal could be assumed with existing resources.

Officials from the **Office of State Courts Administrator**, the **Department of Insurance, Financial Institutions, and Professional Registration**, and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Officials from **St. Louis County** assume this proposal would modify certain provisions relating to mechanic's liens against residential property. County officials stated that currently, the Recorder's office only receives a notice of intent to file a mechanic's lien when there are unpaid contractors, suppliers, subcontractors, or workers. The proposal would require any entity which wants to retain the ability to file a mechanic's lien to file and record a notice of that intent. Accordingly, the proposal would lead to a significant increase in filing.

The Recorder's office provided an estimate of \$24,000 in additional revenue for FY 2011 and \$96,000 per year in additional revenue for FY 2012 and FY 2013, based on new construction permits filed.

Officials from **Cass County** assumed a previous version of this proposal would have no fiscal impact on their organizations.

**Oversight** did not receive any other responses to our request for information. Oversight notes that the proposed requirement would be limited to new construction, and will indicate unknown additional revenue to local governments for recording fees.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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**LOCAL GOVERNMENTS**

<u>Additional Revenue</u> - recording fees	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>	<u><b>Unknown</b></u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses involved in new residential construction.

FISCAL DESCRIPTION

The proposal would modify certain provisions relating to mechanic's liens against residential real property.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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### SOURCES OF INFORMATION

Office of State Courts Administrator

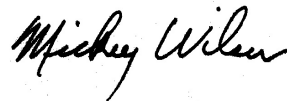
Office of the Attorney General

Department of Insurance, Financial Institutions, and Professional Registration

Department of Revenue

Cass County

St. Louis County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA

Director

June 2, 2010